
City of Harrisburg, Pennsylvania
2010 Mid-Year Fiscal Report
Proposed Budget Deficit Reduction Plan - Phase II

According to the attached 2010 Mid-Year Fiscal Report Summary, a \$4,595,082 net deficit is projected to occur by the end of 2010 unless further deficit reduction measures are taken. As such, the Administration proposes the following:

General Fund:

(\$ 4,329,292)	- Beginning 2010 projected net budget deficit as of June 30, 2010.
+ \$ 3,290,000	- Draw on Ambac Assurance Corporation Bond Insurance Policy to fund for debt service on the G.O. Bonds - Series D and F of 1997 due September 15, 2010.
+ \$ 1,800,000	- Net proceeds from the sale of 2005 - 2009 Real Estate Tax Liens
+ \$ 310,000	- Closing of a Fire Station; retire and/or sell two pieces of apparatus, and lay off associated Firefighters. (To be determined)
+ \$ 244,735	- Transfer Sanitation Fund net budget surplus to the General Fund
+ \$ 90,000	- Layoff/furlough of AFSCME Personnel (To be determined)
+ \$ 104,000	- Increase Parking Meter Fees by as much as 67% (\$2.50 per hour vs. \$1.50 per hour) could generate an additional \$625,000 annually.
+ \$ 44,000	- Generate additional income from City-wide fees based upon a Fee Study to be performed as recommended in the Management Partners, Inc. Emergency Financial Plan, and Management Audit and Five-Year Plan.
+ \$ 36,000	- Schedule Parking Enforcement Officers to work until 5:00 PM. This is projected to generate \$220,000 in additional parking fines annually.
+ \$ 34,000	- Estimated Income from increased License Permit Fees to be developed by the Department of Building & Housing Development.
+ \$ 40,000	- Projected attrition from non-filling of new vacancies the remainder of 2010.
+ \$ 30,000	- Management layoffs/furloughs (1 unpaid day every four weeks from Oct. - Dec., 2010)
+ \$ 29,000	- Parking Tax increase from 15% to 20%. This increase would generate approximately \$177,750 annually.
- \$ 1,072,443	- Payments to Ambac Assurance Corporation for drawn-down on the Bond Insurance Policy.
- \$ 500,000	- Estimated fees for Professional Services (Financial Advisor, Legal, Appraisals, Other)
- \$ 150,000	- Early Intervention Program Phase II and III Grant Matching Shares
<u>\$ 0</u>	- Ending 2010 projected net Budget deficit as of December 31, 2010.

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Sewer Fund:

(\$ 511,317) - Beginning 2010 projected net budget deficit as of June 30, 2010.

+ \$ 1,700 - Management furloughs (1 unpaid day every four weeks from Oct. – Dec., 2010)

+ \$ 509,617 - Request The Harrisburg Authority to provide an operating subsidy Transfer-In

\$ 0 - Ending 2010 projected net Budget deficit as of December 31, 2010